



Variance and Adjustment Provisions for Water Loss Performance Standards

Bruce Macler and Kartiki Naik
State Water Resources Control Board



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What if You Want or Need to Change Your Performance Standards?

- Variances: Extensions of the compliance dates
- Adjustments: Changes to the utility-specific quantitative values AWLV (Allowable Water Loss Volumes)

Need for Variances



- Disasters
- Bankruptcy

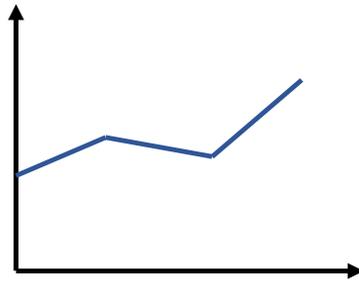
- Smaller unforeseen events



Need for Adjustments



Better quality
data



High data variability



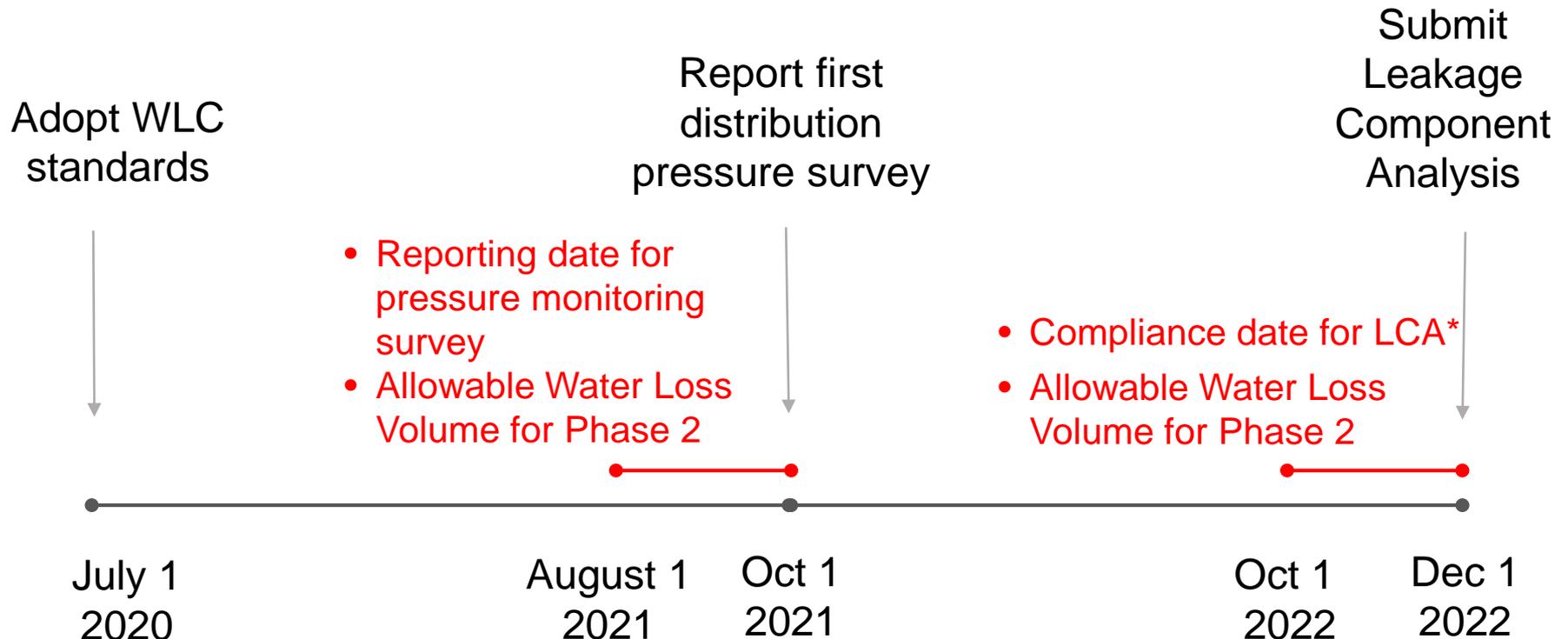
Infrastructure
limitations

General Approaches to Address Adjustments and Variances

- Unforeseen and substantial events
 - Determine possibility for compliance with AWLV and other requirements or the need for and alternative compliance schedule
- Improved data accuracy
 - Re-evaluate AWLV using economic analysis model
- Utility-specific impediments discovered during compliance activities
 - Review requests on merits
- Unforeseen smaller events
 - Consider as a compliance matter

Phase 1 Standards

Improved Data Collection and Quality



— Time period to request **adjustment/ variance**

*LCA: Leakage Component Analysis

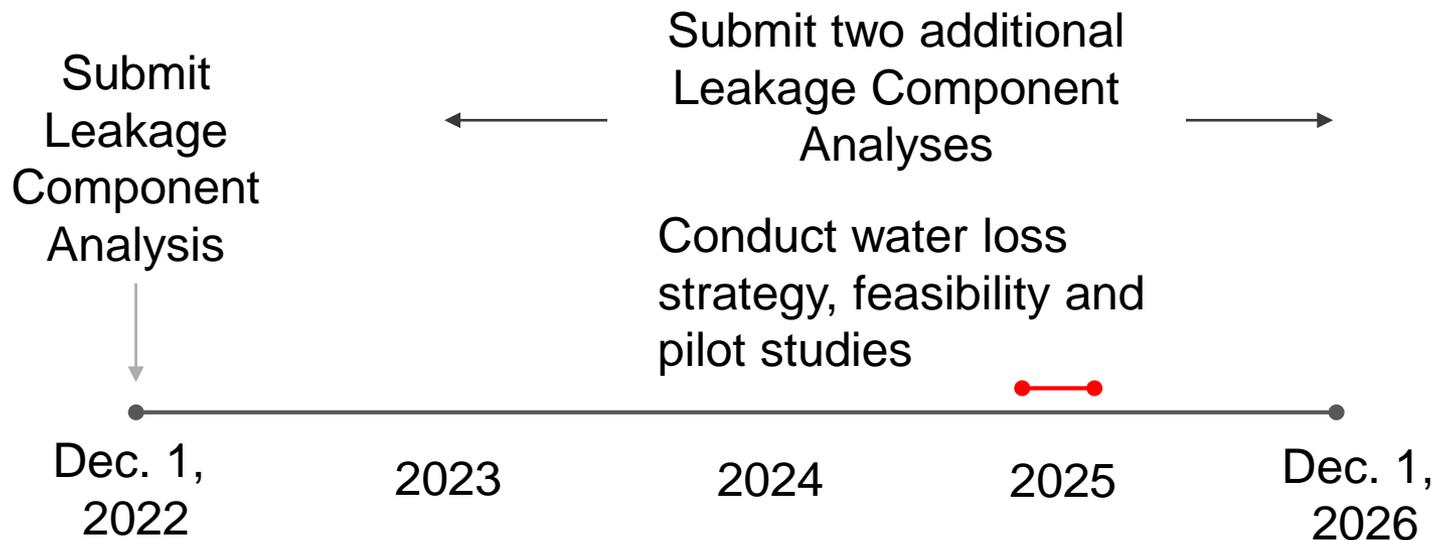
Opportunities for Phase 1 Variances and Adjustments

- AWLV adjustment
 - Improved data accuracy that would substantially change calculated AWLV
- AWLV variance
 - Physical disaster or financial hardship that would adversely affect calculation of the AWLV
- Leakage Component Analysis compliance date variance
 - Physical disaster or financial hardship precluding data analysis
- Distribution operational pressure annual survey compliance date variance
 - Physical disaster or financial hardship affecting installation of equipment or data collection

Initial AWLV

- Variance: Physical damage or financial hardship
 - On an as-needed basis
 - Utility request must include impact assessment, proposed compliance schedule, documentation
 - Water Board staff will review and recommend decision
- Data-based adjustment to AWLV
 - Can be requested during specified periods
 - Utility request must include proposed data and documentation on their accuracy/ validity
 - Water Board staff will review data and recalculate AWLV
 - De minimus changes (+/- 5-10%) unlikely to be approved

Phase 2 Standards Initial Implementation

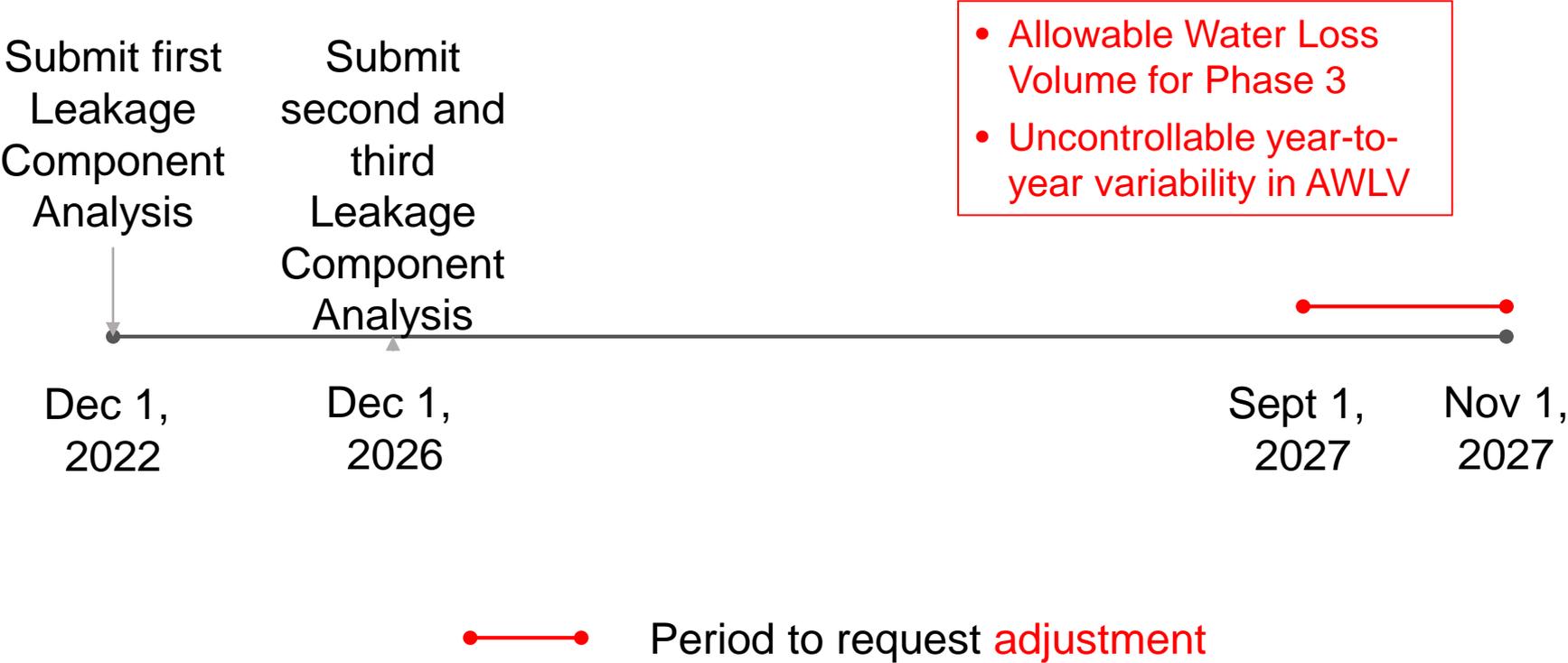


— Oct 1-Dec 1, 2025, to request Leakage Component Analysis and Allowable water loss variance

Variances for Phase 2

- Leakage Component Analyses
 - October 1- December 1, 2025, to make request for variance
 - As before, natural disasters or financial hardship may be acceptable reasons for a delay
 - Staff will review the utility's request and documentation for an extension

Phase 2 AWLV Adjustments

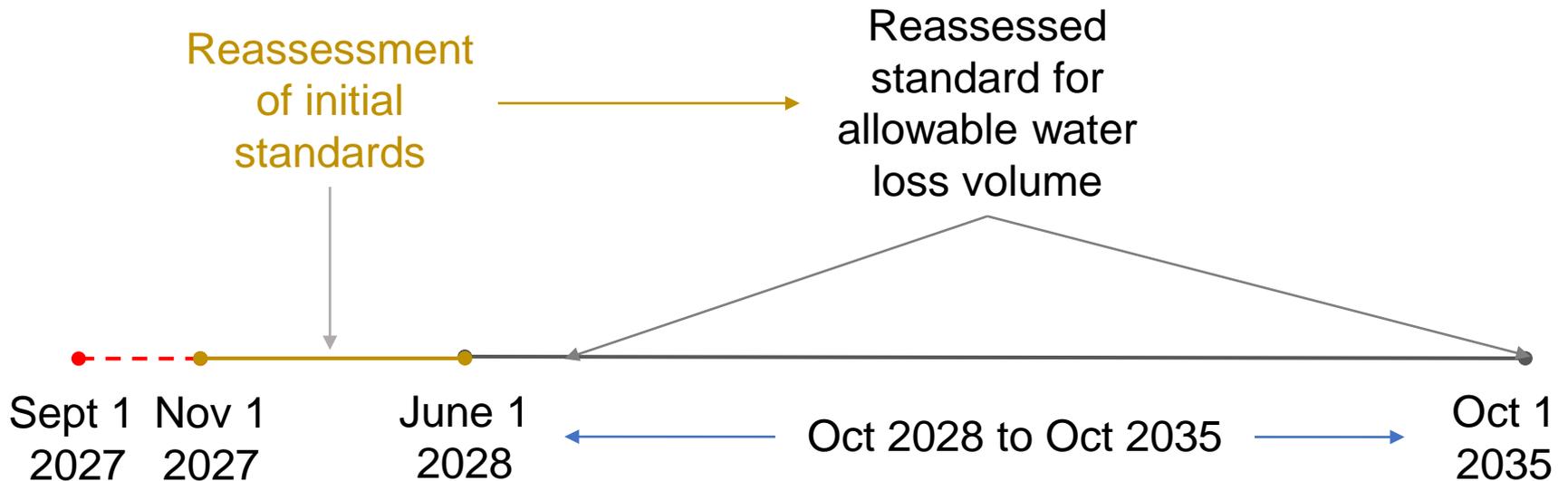


AWLV Adjustments in Phase 2

- Data-based adjustment to A WL V
 - Data from utility WLC studies and pilots could be used to revise A WL V
 - Utility request must include proposed data, and documentation on their accuracy/validity
 - Water Board staff will review data and recalculate A WL V by June 1, 2028
- Uncontrollable year-to-year variability in A WL V
 - Some utilities may have substantial and uncontrollable year-to-year variability affecting their A WL V
 - Changes in sources, cost
 - Could impact Phase 4, post-2035 compliance
 - Water Board will consider this case-by-case

Phase 3

System-Wide Implementation

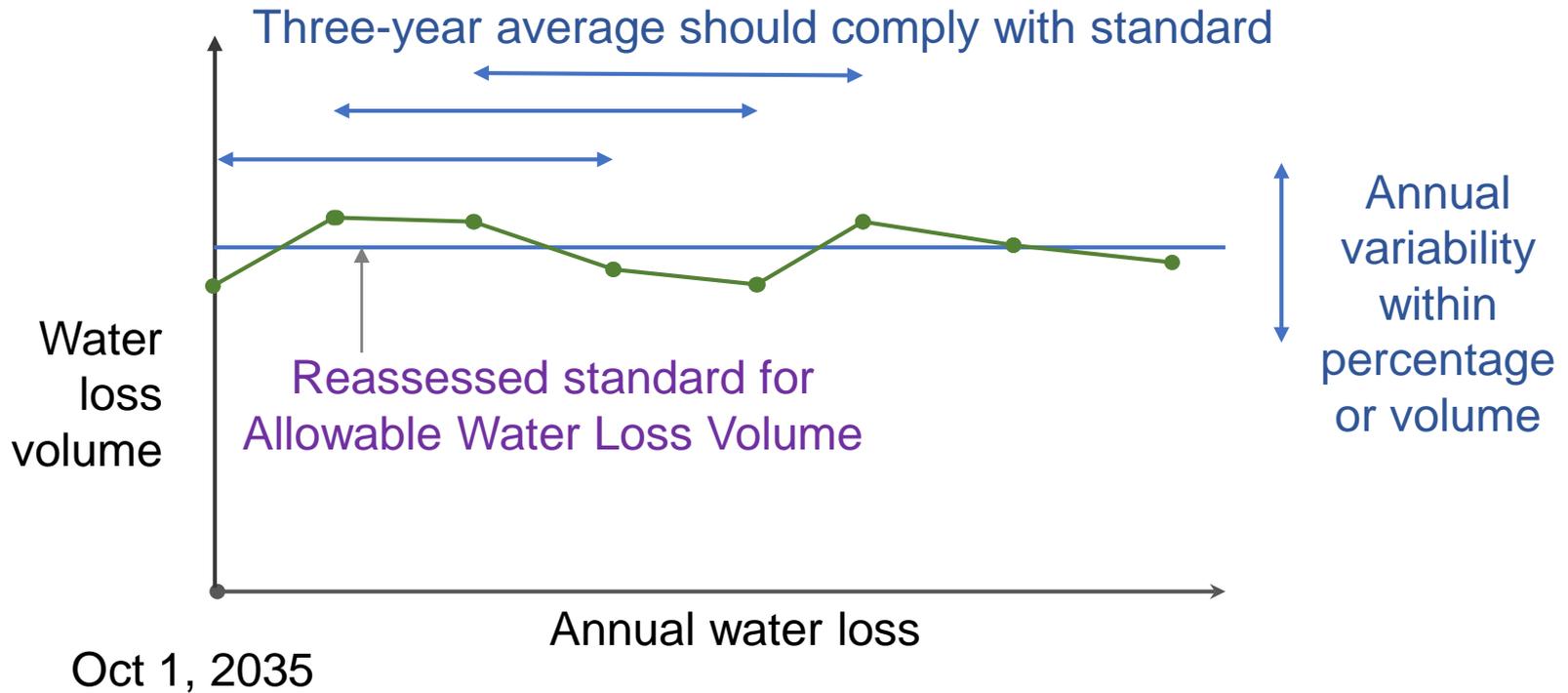


● - - - ● Period to request adjustment in Phase 2

● — ● Reassessment by State Water Board

Phase 4

Ongoing Water Loss Control



What if Something Happens In-Between Adjustment Periods?

- Utilities may ask for variances resulting from significant adverse events affecting AWLV or other standards compliance on an as-needed basis
- For major disasters and economic hardships that may take years to address
 - Utility request must include impact assessment, proposed compliance schedule, documentation
 - Water Board staff will review and recommend decision
- For shorter-duration events that affect compliance
 - These will be treated as for other non-compliance issues, using progressive enforcement